

# Loan Application

(Subject to Joint and Survivor Annuity Rules)

Lee Mechanical Contractors, Inc. 401(k) Salary Reduction Plan & Trust

661731

Employee Full Name (please print)		Social Security Number
Street Address		
City	State	Zip

### Loan Information

- Purpose:  \_\_\_\_\_  
 Purchase of my principal residence.
- Amount:  \$ \_\_\_\_\_  
  - See the Loan Policy for minimum amount allowed. Maximum amount allowed.
- Duration: \_\_\_\_\_ months  
  - Maximum 60 months/5 years.
  - See the Loan Policy for maximum duration allowed for principal residence.

### Marital Status

- I am married. My pledge is not valid and the Trustee may not make the loan to me if I am married and my spouse does not execute the "Consent of Spouse" on page 2 within the 90-day period ending on the date of the loan.
- I am not married.

### Employee

If the Plan allows one outstanding loan at a time, payoff of the first loan must be made prior to requesting another loan. The loan will be made pro-rata among accounts and investment funds unless I direct otherwise in writing. Review the Summary Plan Description and Loan Policy for any loan limitations.

#### Irrevocable Pledge and Assignment:

In consideration of a loan to me in the amount requested above, by the Trustee of the above named Plan, I hereby irrevocably pledge and assign to the Trustee of the Plan, or to its successor or successors, 50% of my vested account balances, at any time existing under the Plan, but not less than 50% of my vested account balances determined on the date of the loan which is subject to this pledge, to the extent necessary to satisfy such loan, any unpaid interest on such loan, all attorneys' fees necessary for collection of this obligation and all costs of collection. Failure by me to repay this loan when due or to pay any installment or interest when due authorizes the Trustee to foreclose on this security or to bring a lawsuit to collect the outstanding indebtedness and interests on the indebtedness. This Irrevocable Pledge and Assignment binds my heirs, personal representatives or other legal representatives.

I understand that I am entering into a payroll deduction arrangement to repay the loan until it is repaid in full. **NOTE: I am responsible for making certain that my employer is withholding the proper loan payments.** If the loan payments have not been withheld, I must notify the employer and arrange for make-up loan payment(s) by the end of the loan cure period. If I do not make the missed loan payment(s) by the close of the cure period, the loan will be in default and I will be subject to adverse Federal income tax consequences.

Should my employment terminate with the employer for any reason while this obligation is unpaid and under circumstances in which the Trustee ordinarily would make a distribution from the Plan to me or to my named Beneficiary, I authorize the Trustee to reduce the amount otherwise distributable to me or to my named Beneficiary, by this outstanding indebtedness, together with any accrued interest due on the indebtedness, unless on the day after my termination of employment with the Employer I am a "party in interest" with respect to the Plan or unless the Loan Policy provides otherwise.

I understand a setup fee will be deducted from my loan check (See your employer for the current fees applicable to loans). In certain plans, the loan may be subject to the same asset based fee as other plan investments. I also understand that there is a \$20 UPS overnight fee if I request that my loan check be sent via overnight mail. I understand that by endorsing the check for the loan proceeds, I am agreeing to the terms of the loan described in this Loan Application and the Promissory Note and Federal Truth in Lending Disclosures.

Employee's Signature \_\_\_\_\_ Date \_\_\_\_\_

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Employee Full Name (please print)	Social Security Number
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## Consent of Spouse

NOTE: Signature of spouse must be witnessed by a Notary.

I, \_\_\_\_\_, spouse of \_\_\_\_\_, the employee, hereby consent to the pledge of 50% of my spouse's vested account balances as a condition to the receipt of a participant loan. I certify I understand the execution by the Trustee on the pledge may reduce the amount, if any, distributable to me from my spouse's account balances under the Plan, if I survive my spouse.

\_\_\_\_\_  
Signature of Employee's Spouse

\_\_\_\_\_  
Date

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

Notary Seal:

BEFORE ME, the undersigned, a Notary Public, personally appeared \_\_\_\_\_ who executed the above Consent of Spouse as a free and voluntary act.

IN WITNESS WHEREOF, I have signed my name and affixed my official notarial seal this \_\_\_\_\_ day of \_\_\_\_\_.

Notary Public: \_\_\_\_\_

My commission expires: \_\_\_\_\_

## Employer

Important: You must complete all of the sections below in order for the loan to be made and the amortization schedule prepared.

Payroll Frequency:  weekly  monthly  bi-weekly (every two weeks)  semi-monthly (twice a month)  
 other - describe \_\_\_\_\_

Next Payroll Date: \_\_\_\_\_

Vesting: Loan calculation is based upon the participant's vesting percentage as most recently reported.

Loan Interest Rate: **NOTE: Rate is controlled by the loan policy.**

- Prime Rate (as posted in the Wall Street Journal) + 1%.
- Prime Rate (as posted in the Wall Street Journal) + \_\_\_\_\_%.
- Commercially reasonable rate \_\_\_\_\_%.

As an authorized signer for the Plan, I hereby direct the plan recordkeepers, trustees and/or fund managers to make the distribution as directed by this Application. I will deduct and submit loan payments from the employee's salary each pay period until the loan is repaid in full.

Employer's Signature \_\_\_\_\_ Date \_\_\_\_\_